



MOTOR VEHICLE DIVISION  
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## MEMORANDUM

**TO:** Motor Vehicle Division Licensees **DATE:** July 11, 2008  
**FROM:** Motor Vehicle Division  
**SUBJECT:** License terms and fees

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This is to inform you of changes relating to your license period as a result of House Bill 2651 which became effective during the 2007 Regular Session of the Texas Legislature. Currently, licenses issued by the department expire one year after the date of issuance. HB 2651 removes the annual renewal requirement for motor vehicle distribution licenses and authorizes the department to adopt rules to determine how long licenses are valid. The Transportation Commission adopted rules setting the license period for two years at its June 26, 2008 meeting.

### ***When will this begin?***

- The first renewal applications with a two-year license term will be mailed on or about August 1, 2008. This will affect those licenses with an expiration date of October 31, 2008 and thereafter. Because the first year will be a transition period, one-half of renewals each month will randomly be assigned a two-year term so that one-half have a one-year license term and the other half have a two-year license term.
- Applications for new licenses received on or after September 1, 2008, will receive a two-year license term.

### ***How does this affect you?***

- The two-year license term applies to all licensees. All franchised dealers, independent dealers, lessors, lease facilitators, converters, manufacturers, distributors and representatives will eventually have a two-year license term.
- New applicants for a General Distinguishing Number license and current GDN licensees assigned a two-year renewal term during the transition period discussed above must obtain two-year bonds and/or riders. MVD will notify current licensees of the new license term on the renewal application.
- New applicants for franchised or independent motor vehicle dealer, lessor or lease facilitator licenses have to provide proof of occupancy for at least a two-year term (if leasing or sub-leasing).
- License fees for a two-year license will be 2x the amount of a one-year license. (Fees are not increasing, you are just required to pay for a two-year term at once.)
- The two-year term will also apply to metal dealer plates (with the exception of personalized plates issued by VTR, which will continue to be issued for one year).
- Changing to a two-year license term will reduce the application renewal workload and associated call volume. This should allow the department to provide better customer service and process all applications in a timelier manner.

For additional information, contact the Motor Vehicle Division at (512) 416-4800 or toll-free (877) 366-8887 or visit our website at [www.txdot.gov](http://www.txdot.gov) and click on Vehicle Dealer Services in the Business section. You may also contact MVD via email at [mvd\\_contact@dot.state.tx.us](mailto:mvd_contact@dot.state.tx.us).

cc: County Tax Assessor-Collectors  
Bonding Companies  
Licensee Associations  
Vehicle Titles and Registration Division